



CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER



DATE: November 5, 2012

TO: Oversight Board to the City of Inglewood, as Successor Agency

FROM: City of Inglewood, as Successor Agency

SUBJECT: Receive and review the Housing Fund Due Diligence Review (DDR) Report; convene a public comment session pertaining to the DDR Report, pursuant to California Health and Safety Code Section 34179.6 9

RECOMMENDATION:

It is recommended that the Chair and Board Members of the Oversight Board receive public comment on the Due Diligence Review (DDR) report for the low and moderate income housing fund for consideration prior to taking public comment.

BACKGROUND:

On June 28, 2011, Assembly Bill No. X1 26 ("Dissolution Act") was signed into law by the Governor of California which called for the dissolution of redevelopment agencies throughout the State and established certain procedures by which the dissolution process was to be accomplished. On December 29, 2011, the California State Supreme Court largely upheld the Dissolution Act as constitutional and reformed and extended certain dates, by which certain dissolution actions were to occur under the Dissolution Act, by an additional four months. As a result of the Supreme Court's decision, on February 1, 2012, all California redevelopment agencies were dissolved, including the Inglewood Redevelopment Agency, and successor agencies to the former redevelopment agencies were established and were tasked with paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and winding down the affairs of the former redevelopment agencies.

On June 27, 2012, the State Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484", Chapter 26, Statutes 2012) as a trailer bill for the Fiscal Year 2012-2013 State budget package. Although the primary purpose of AB 1484 is to make technical and substantive amendments to the Dissolution Act based on issues that have arisen in the implementation of the Dissolution Act, AB 1484 also imposes additional statutory requirements relating to the activities and obligations of successor agencies and to the wind-down process of former redevelopment agencies (including the preparation of a due diligence review) (reference hereinafter to the Dissolution Act means Assembly Bill No. X1 26 as amended by AB 1484).

Pursuant to the Dissolution Act which can be found at California Health and Safety Code ("Health and Safety Code") Section 34179.5(a), in furtherance of Health and Safety Code Section 34177(d), required the City of Inglewood as Successor Agency ("Successor Agency") to employ a licensed accountant, approved by the Los Angeles County Auditor-Controller, and with

experience and expertise in local government accounting, to conduct a due diligence review (“Due Diligence Review”) to determine the unobligated balances available for transfer to taxing entities. As an alternative, an audit provided by the Los Angeles County Auditor-Controller that provides the information required by Section 34179.5 may be used to comply with such Section with the concurrence of the Oversight Board of the Successor Agency (“Oversight Board”).

Pursuant to the Dissolution Act of Health and Safety Code Section 34179.6(a), by October 1, 2012, the Successor Agency shall provide to the Oversight Board, the Los Angeles County Auditor-Controller, the State Controller, and the Department of Finance the results of the Due Diligence Review conducted pursuant to Section 34179.5 for the Low and Moderate Income Housing Fund (“LMIHF”) the specific amount of cash and cash equivalents determined to be available for allocation to taxing entities. By December 15, 2012, the Successor Agency shall provide to the Oversight Board, the Los Angeles County Auditor-Controller, the State Controller, and the Department of Finance the results of the Due Diligence Review conducted pursuant to Section 34179.5 for all of the other fund and account balances and the specific amount of cash and cash equivalents determined to be available for allocation to taxing entities.

Pursuant to the Dissolution Act at Health and Safety Code Section 34179.6(b), upon receipt of the Due Diligence Review, the Oversight Board shall convene a public comment session to take place at least five business days before the Oversight Board holds the approval vote specified in Section 34179.6(c). The Oversight Board also shall consider any opinions offered by the Los Angeles County Auditor-Controller on the Due Diligence Review results submitted by the Successor Agency.

Pursuant to the Dissolution Act at Health and Safety Code Section 34179.6(c), by October 15, 2012, for the LMIHF and by January 15, 2013, for all other funds and accounts, the Oversight Board shall review, approve, and transmit to the Department of Finance and the Los Angeles County Auditor-Controller the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities as determined according to the method provided in Section 34179.5. The Oversight Board may adjust any amount provided in the review to reflect additional information and analysis. Unfortunately, the October 15, 2012 date for the DDR for the LMIHF will not be met and because this deadline is statutorily mandated, an extension cannot be made by the Department of Finance. However, the Department of Finance, in recognizing the extreme time crunch and the likelihood that many successor agencies may not meet this deadline, has asked that such successor agencies do their best to meet the deadline. The Successor Agency has informed the Department of Finance that it is anticipated that its DDR report will be submitted to it on November 15, 2012. This date is one day prior to the statutory deadline to submit a meet and confer appeal for any disputes to a Department of Finance adverse determination relative to the DDR submission. There is no statutory penalty imposed on successor agencies for not submitting the DDR report by the required dates.

DISCUSSION:

As required by Health and Safety Code Section 34179.5(a), the Successor Agency retained the services of a licensed accountant, Mayer Hoffman & McCann P.C., a California Professional Corporation, to conduct the Due Diligence Review to determine the unobligated balances available for transfer to taxing entities in furtherance of Health and Safety Code Section 34177(d). Mayer Hoffman & McCann was specifically approved by the Los Angeles County Auditor-Controller to perform the Due Diligence Review.

As required by Health and Safety Code Section 34179.6(a), on November 1, 2012 (subsequent to the October 1, 2012 statutory deadline), the Successor Agency submitted electronically to the Oversight Board, the Los Angeles County Auditor-Controller, the State Controller, and the Department of Finance the results of the Due Diligence Review conducted pursuant to Health and Safety Code Section 34179.5 for the LMIHF and the specific amount of cash and cash equivalents determined to be available for allocation to taxing entities. (See, Attachment Nos. 1 and 2) As indicated on Exhibit A of the Due Diligence Review for the LMIHF, this amount is \$739,611 and is also based upon the Successor Housing Agency being able to retain certain funds to cover cash insufficiencies for future expenditures through December 2013.

In accordance with Health and Safety Code Section 34179.6(b), this public meeting of the Oversight Board shall be deemed to constitute the Public Comment Session on the Due Diligence Review for the LMIHF and the results of the Due Diligence Review for the LMIHF conducted pursuant to Section 34179.5 and the specific amount of cash and cash equivalents determined to be available for allocation to taxing entities.

In accordance with Health and Safety Code Section 34179.6 (b), this meeting of the Oversight Board providing the statutorily required Public Comment Session is at least five business days before the Oversight Board is scheduled to hold a meeting on November 15, 2012 on the approval vote specified in Section 34179.6(c) in connection with the results of the Due Diligence Review for the LMIHF and the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities as determined according to the method provided in Section 34179.5.

At this Oversight Board meeting providing the Public Comment Session, in addition to the receipt of any public comments, the Oversight Board shall consider any opinions offered by the Los Angeles County Auditor-Controller on the Due Diligence Review results for the LMIHF submitted by the Successor Agency. However, no specific action of the Oversight Board is requested at this particular meeting by the Successor Agency or statutorily required by the Oversight Board.

At the second meeting of the Oversight Board scheduled on November 15, 2012, specific approval will be requested by the Successor Agency of the Oversight Board as statutorily required by Health and Safety Code Section 34179.6 (c). Specifically, and as stated above, the Oversight Board will be requested to review, approve, and transmit to the Department of Finance and the Los Angeles County Auditor-Controller the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities as determined according to the method provided in Section 34179.5 in connection with the results of the Due Diligence

Review for the LMIHF. The Oversight Board may adjust any amount provided in the Due Diligence Review for the LMIHF to reflect additional information and analysis. The Oversight Board may request from the Successor Agency any materials it deems necessary to assist in its review and approval of the determination. Further, the Oversight Board shall be empowered to authorize the Successor Agency to retain certain assets or funds identified in the Due Diligence Review (identified by Section 34179.5(c)(5)(B)-(E)). With regard to this authorization, the Oversight Board shall identify to the Department of Finance the amount of funds authorized for retention, the source of those funds, and the purposes for which those funds are being retained. Any Oversight Board determination and authorization to retain funds and assets shall be subject to the review and approval of the Department of Finance.

In light of the results of the Due Diligence Review conducted pursuant to Health and Safety Code Section 34179.5 for the LMIHF and the amount of cash and cash equivalents determined available for allocation to taxing entities to be zero, the Successor Agency does not have any specific comments or recommendations to the Oversight Board at this time in connection with the Oversight Board's exercise of its authority pursuant to Health and Safety Code Section 34179.6(c) to adjust any amount provided in the Due Diligence Review for the LMIHF. However, for any reason, including without limitation the extent there are any modifications to the amounts provided in the Due Diligence Review for the LMIHF and/or the amount of cash or cash equivalents determined available for allocation to taxing entities, the Successor Agency does not waive any legal or equitable rights that the Successor Agency may have to make any comments or recommendations to the Oversight Board and/or any other entity in connection with the Due Diligence Review, and to take any such actions, and the Successor Agency expressly reserves any and all rights, privileges, and defenses available under law and equity.

ENVIRONMENTAL DETERMINATION:

The activity of receiving the Due Diligence Review for the LMIHF and conducting the Public Comment Session is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the CEQA Guidelines.

PREPARED BY:

Margarita Cruz, Redevelopment Manager

Attachments:

1. Due Diligence Review for the LMIHF;
2. Letter to the Oversight Board and State and County representatives dated November 1, 2012 transmitting the Due Diligence Review for the LMIHF.

Attachment 1

Due Diligence Review Report



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Oversight Board of the Successor Agency of the former Redevelopment Agency
Of the City of Inglewood
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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Successor Agency of the former Redevelopment Agency of the City of Inglewood (Successor Agency), the California Department of Finance, and the California State Controller's Office, solely to assist you in complying with the requirement for a due diligence review of the low and moderate income housing fund of the former Redevelopment Agency and the Successor Agency pursuant to Section 34179.5(c) of the California Health and Safety Code. Management of the Successor Agency is responsible for the Successor Agency's compliance with the California Health and Safety Code. This engagement to apply agreed-upon procedures was performed in accordance with the attestation standards established by the *American Institute of Public Accountants* for such engagements. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the specified items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Our procedures and results were as follows:

1. We obtained from the Successor Agency a listing of all assets (at their recorded book values) that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. We agreed the amounts on this listing to account balances established in the accounting records of the Successor Agency.

Results: On February 1, 2012, \$35,198 of low and moderate income housing fund assets (in the form of cash) were transferred to the Successor Agency fund.

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
 - a. We obtained a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012.

Results: The State Controller's Office has not completed the review of transfers. The low and moderate income housing fund transferred funds to the City of Inglewood during the period from January 1, 2011 through January 31, 2012. The transfers were made pursuant to a Cooperative Agreement dated January 25, 2011, under which the City of Inglewood agreed to accept these assets and continue the redevelopment programs previously performed by the

Redevelopment Agency. Under the terms of this Cooperative Agreement, the City has continued to expend the assets of the former Redevelopment Agency by entering into enforceable obligations after June 28, 2011. As indicated in Exhibit B entitled "Assets Transferred to the City of Inglewood", \$44,260,620 of assets were transferred to the City of Inglewood during the period from January 1, 2011 and January 31, 2012. The balances of these transferred assets as of June 30, 2012 were added back to the summary computation of balances available for remittance to the county (Exhibit A) based upon their balances as of June 30, 2012. Assets transferred to the City of Inglewood included \$27,741,219 of cash. As a result of continued program activity, including entering into new obligations and new program loans, as of June 30, 2012, the balance of available cash had declined to \$6,812,293 (see EXHIBIT B).

- b. We obtained a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012.

Results: The State Controller's Office has not completed the review of transfers. As of June 30, 2012, the balance of assets transferred from the low and moderate income housing fund was \$45,056,431. The transferred assets were in the form of cash, loans receivable, land held for resale, and accrued interest to the City of Inglewood. See EXHIBIT B.

- c. For each transfer, we obtained the legal document that formed the basis for the enforceable obligation that required any transfer.

Results: The transfers were not made as a result of an enforceable obligation. The transfers were made pursuant to a Cooperative Agreement dated January 25, 2011, under which the City of Inglewood agreed to accept these assets and continue the redevelopment programs previously performed by the Redevelopment Agency. Under the terms of this Cooperative Agreement, the City has continued to expend the assets of the former Redevelopment Agency by entering into enforceable obligations after June 28, 2011. As indicated in Exhibit B entitled "Assets Transferred to the City of Inglewood", \$44,260,620 of assets were transferred to the City of Inglewood during the period from January 1, 2011 and January 31, 2012. The balances of these transferred assets as of June 30, 2012 were added back to the summary computation of balances available for remittance to the county (Exhibit A) based upon their balances as of June 30, 2012. Assets transferred to the City of Inglewood included \$27,741,219 of cash. As a result of continued program activity, including entering into new obligations and new program loans, as of June 30, 2012, the balance of available cash had declined to \$6,812,293 (see EXHIBIT B).

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

- a. We obtained a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012.

Results: The Agency represented that no transfers were made from the former redevelopment agency to any other public agency or to private parties for the period January 1, 2011 through January 31, 2012.

- b. We obtained a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012.

Results: The Agency represented that no transfers were made from the former redevelopment agency to any other public agency or to private parties for the period February 1, 2012 through June 30, 2012.

- c. For each transfer, we obtained the legal document that formed the basis for the enforceable obligation that required any transfer.

Results: The Agency represented that no transfers were made from the former redevelopment agency to any other public agency or to private parties for the periods indicated above.

- 4. We obtained from the Successor Agency a listing of all assets held in the Low and Moderate Income Housing Fund of the Successor Agency as of June 30, 2012. We also agreed the assets so listed to recorded balances reflected in the accounting records of the Successor Agency.

Results: As of June 30, 2012, the only assets held in the Low and Moderate Income Housing Fund of the Successor Agency was \$14,109 held in the form of cash. We agreed the asset balances to the recorded balances reflected in the accounting records of the Successor Agency.

- 5. We obtained from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for specific purposes and performed the following procedures:

- a. Unspent bond proceeds:

- i. We obtained the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances.

Results: This procedure is not applicable.

- b. Grant proceeds and program income that are restricted by third parties:

- i. We obtained the Successor Agency's computation of the restricted balances.
- ii. We traced individual components of this computation to related account balances in the accounting records, or to other supporting documentation.

- iii. We obtained from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances.

Results: This procedure is not applicable.

- c. Other assets considered to be legally restricted:

- i. We obtained the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. We traced individual components of this computation to related account balances in the accounting records, or to other supporting documentation.
- iii. We obtained from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances.

Results: This procedure is not applicable.

- d. We attached the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, we indicated in the report the period of time for which the restrictions are in effect.

Results: This procedure is not applicable.

- 6. We obtained from the Successor Agency a listing of assets as of June 30, 2012 that are not liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertained if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.

- a. If the assets were listed at purchase cost, we traced the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and noted any differences.
- b. For any differences noted in 6(a), we inspected evidence of disposal of the asset and ascertained that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions, we inspected supporting documentation and noted the circumstance.
- c. If the assets were listed at recently estimated market value, we inspected the evidence (if any) supporting the value and noted the methodology used.

Results: The listing of assets that were transferred to the City that are not liquid are presented in EXHIBIT B. Loan receivable amounts and land held for resale amounts agreed with detailed subsidiary records.

- 7. We performed the following procedures:

- a. For assets balance needed to be retained to satisfy enforceable obligations, we obtained from the Successor Agency an itemized schedule of asset balances (resources) as of June

30, 2012 that are dedicated or restricted for the funding of enforceable obligations and performed the following procedures:

- i. We compared all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
- ii. We compared all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
- iii. We compared the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
- iv. We attached as an exhibit to the report the listing obtained from the Successor Agency. We also identified in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

Results: This procedure is not applicable.

- b. If future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, we obtained from the Successor Agency a schedule of approved enforceable obligations that included a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and performed the following procedures:
 - i. We compared the enforceable obligations to those that were approved by the California Department of Finance.
 - ii. We compared the forecasted annual spending requirements to the legal document supporting each enforceable obligation by obtaining from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
 - iii. For the forecasted annual revenues, we obtained the assumptions for the forecasted annual revenues and disclosed the major assumptions associated with the projections.

Results: The procedure will be performed in the due diligence review that is due in December, as it is not possible to split future property tax revenues between low and moderate income housing enforceable obligations and other enforceable obligations of the other funds of the former redevelopment agency.

- c. If projected property tax revenues and other general purpose revenues that were received by the Successor Agency are insufficient to pay bond debt service payments, we obtained from the Successor Agency a schedule demonstrating this insufficiency and applied the following procedures to the information reflected in that schedule:
 - i. We compared the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.

- ii. We obtained the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
- iii. We obtained the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

Results: This procedure will be performed in the due diligence review that is due in December, as it is not possible to split future property tax revenues between low and moderate income housing enforceable obligations and other enforceable obligations of the other funds of the former redevelopment agency.

- d. If procedures, A, B, or C were performed, we calculated the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures:
 - i. We combined the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
 - ii. We reduced the amount of total resources available by the amount forecasted for the annual spending requirements.

Results: This procedure is not applicable.

- 8. For cash balances as of June 30, 2012 that need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, we obtained a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013.

Results: EXHIBIT C demonstrates that amount of current cash balances that need to be retained to pay enforceable obligations as they become due. Because it is not possible to split the RPTTF revenue between housing and non-housing, EXHIBIT C includes enforceable obligations for both housing and non-housing. The amounts indicated that need to be retained from the available cash associated with the Low and Moderate Income Housing Funds represent the shortfall of total RPTTF monies to fund expenditures on an annual basis.

- 9. We have included a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities.

Results: See EXHIBIT A.

- 10. We obtained a representation letter from management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report.

Results: Required representations were obtained from management.

This letter is intended solely for the information and use of the Oversight Board of the Successor Agency of the former Redevelopment Agency of the City of Inglewood, the Successor Agency of the former Redevelopment Agency of the City of Inglewood, the California Department of Finance, the

Oversight Board of the Successor Agency
of the former Redevelopment Agency of
the City of Inglewood
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California State Controller's Office, and the County of Los Angeles' Auditor-Controller's Office and is not intended to be and should not be used by anyone other than those specified parties.

Mayor Hoffman Melson P.C.

Irvine, California
October 29, 2012

SUCCESSOR AGENCY OF THE INGLEWOOD REDEVELOPMENT AGENCY
 Summary of Balances Available for Allocation to Affected Taxing Entities
 June 30, 2012

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

Total amount of assets held by the successor agency as of June 30, 2012	\$ 14,109
Balance as of June 30 of any assets transferred to the city	45,056,431
Less assets that are not cash or cash equivalents (i.e. physical assets, long-term receivables, etc.)	
Long-term receivables	(35,159,252)
Real property - land held for resale	(3,070,906)
Less use of Low-Mod cash to cover insufficiency of available tax revenues per Table 1.1 of Preliminary Semi-Annual Cash Flow Update (DHA) identified in the Cash Flow Update as:	
Use of Low-Mod Funds for ROPS - 10/1 to 6/30/12 per DHA	(1,082,077)
Use of Low-Mod Funds for ROPS - 7/1 to 12/31/12 per DHA	(1,464,820)
Use of Low-Mod Funds for ROPS - 1/1 to 12/31/13 per DHA	(2,930,258)
Ending fund balance (deficits) per DHA	<u>(623,616)</u>
Amount to be remitted to county for disbursement to taxing entities	<u>\$ 739,611</u>

[The above schedule is subject to adjustments that may be made by the California Department of Finance at the time of their review]

SUCCESSOR AGENCY OF THE FORMER INGELWOOD REDEVELOPMENT AGENCY
 Assets Transferred to the City of Inglewood
 6/30/2012

Assets Transferred	Asset Balance at Time of Transfer	Asset Balance as of 6/30/2012	Approved by CA DOF	Reason for Transfer
Real property	\$ 3,070,906	\$ 3,070,906	Yes	For ongoing housing activities administered by the City.
Cash	27,741,219	6,812,293	No ⁽¹⁾	For ongoing housing activities administered by the City.
Accrued interest	-	13,980	n/a	
Loans receivable	<u>13,448,495</u>	<u>35,159,252</u>	Yes	For ongoing housing activities administered by the City.
Total Transfers	<u>\$ 44,260,620</u>	<u>\$ 45,056,431</u>		

⁽¹⁾ Not listed on the Housing Asset Listing submitted to the California Department of Finance.
 n/a - not applicable

Table 1.1
Inglewood Merged Project Area
Semiannual Financial Cash Flow (1)
RPTTF and "Other" Funds (2)

	(2) 2011-12 10/1 to 6/30/12	(3) 1-Jun-2012 7/1 to 12/31/12	(4) 16-Jan-2013 1/1 to 6/1/13	(5) 1-Jun-2013 7/1 to 12/31/13	(5) 16-Jan-2014 1/1 to 6/1/14	(5) 1-Jun-2014 7/1 to 12/31/14	(5) 16-Jan-2015 1/1 to 6/1/15	(5) 1-Jun-2015 7/1 to 12/31/15
Gross former Tax Increment	8,847,307	8,279,351	9,159,284	8,243,355	9,035,996	8,132,396	9,158,051	8,242,246
Less:								
County Administrative Charges	(299,738)	(17,393)	(258,117)	(28,680)	(258,957)	(28,773)	(262,869)	(29,208)
Prior Year Pass Thru Pmts Paid by County			(626,625)					
County Retained Pass Thru Pmts	(1,110,925)	(1,449,105)	(1,558,888)	(1,311,984)	(1,534,289)	(1,283,482)	(1,578,341)	(1,316,638)
Amount Available for ROPS/Admin Allowance	7,436,644	6,812,853	6,715,654	6,902,692	7,242,750	6,820,142	7,316,840	6,896,400
Annual Revenues	7,436,644	6,595,523	6,514,184	6,695,611	7,025,468	6,615,538	7,097,335	6,689,508
Estimated Distribution from RPTTF	N/A	217,330	220,000	200,868	210,764	198,466	212,920	200,685
Administrative Allowance								
Other Revenues								
Total Annual Revenues	7,436,644	6,812,853	6,734,184	6,896,479	7,236,232	6,814,004	7,310,255	6,890,193
Expenditures:								
Administration	826,578	217,330	220,000	200,868	210,764	198,466	212,920	200,685
Bond Debt Service - Housing	1,907,763	1,464,820	1,464,820	1,465,438	1,465,438	1,464,476	1,464,476	1,464,432
Bond Debt Service - 80%	9,170,102	4,722,496	4,722,496	4,851,353	4,851,353	4,984,064	4,984,064	5,106,390
ROPS Expenses / Other	1,687,246	246,960	1,978,829	250,000	250,000	-	-	-
ROPS Expenses / RPTTF	51,400	1,895,205	1,626,334	1,630,000	250,000	250,000	250,000	250,000
KP Auto / Other		Not Included	1,300,000					
Hollywood Park OPA Payments								
MSG Expenditures from Tax Increment / Other	1,931,152							
Pass Through Payments For Prior Year / Other			1,030,436					
Total Expenditures	15,574,241	8,546,811	12,342,915	8,397,659	6,777,555	6,897,006	6,911,460	7,021,507
Annual Surplus/Deficit	(8,137,597)	(1,733,958)	(5,608,731)	(1,501,180)	458,677	(83,002)	398,795	(131,314)
Transfer from Other Funds	7,055,520	269,138	3,687,351	-	-	83,002	-	-
Transfer from Low/Mod Housing (6)	1,082,077	1,464,820	1,464,820	1,465,438	-	-	-	-
Ending Fund Balance - Transfer to Other Funds	-	-	(456,560)	(35,742)	458,677	-	398,795	(131,314)
Other Funds (Tax Increment) (7)	10,951,901	3,937,451	3,678,156	-	-	458,677	376,821	776,559
Interest Earnings @ 0.5%	41,070	9,844	9,195	-	-	1,147	942	1,941
Transfers in from Cash Flow		-	-	-	458,677	-	398,795	-
Transfers Out to Cash Flow	(7,055,520)	(269,138)	(3,687,351)	-	-	(83,002)	-	-
Ending Balance - Other Funds	3,937,451	3,678,156	-	-	458,677	376,821	776,559	778,500

Notes:

- (1) Includes former tax increment revenue, which the County is to deposit into the Redevelopment Property Tax Trust Fund, or RPTTF, and funds on hand. Bond proceeds, both taxable and tax exempt are not included in this table but are included in Table 1.2.
- (2) From the version of the ROPS 3 (January through June 2013) that was approved by the Successor Agency in September 2012. The tab, "Prior Period Payments" shows actual expenditures, per SA staff, for the January to June 2012 period.
- (3) From the version of the ROPS approved by the Oversight Board on May 17, 2012; DOF largely approved the obligations with expenditures scheduled through June 30, 2012.
- (4) From the version of the ROPS 3 (January through June 2013) that was approved by the Successor Agency in September 2012. The tab, "ROPS" shows estimated expenditures for Enforceable Obligations, per SA staff, for the January to June 2013 period.
- (5) Estimated by DHA based loosely on prior year amounts. All amounts for these years are subject to substantial changes.
- (6) Debt service is the responsibility of the RPTTF cash flow but is assumed paid with the Low and Moderate Income Housing Fund for a period of time solely because property tax receipts payable to the Agency are estimated to be insufficient.
- (7) Preliminary fund balance from the audit that was completed in August 2012 for the period ending September 30, 2011. Questions concerning the audit and all fund balances need to be resolved before this number can be relied upon.

Attachment 2

Letter to the
Oversight Board,
State and County
transmitting the DDR
for the LMIHF



CITY OF INGLEWOOD

ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT

Successor Agency



November 1, 2012

To the Oversight Board to the City of Inglewood

As Required by Health and Safety Code Section 34179.6(a) the results of the Due Diligence Review conducted pursuant to Health and Safety Code Section 34179.5 for the Low and Moderate Housing Income fund is being transmitted to you. Authorization was provided by the City of Inglewood as Successor Agency on October 30, 2012. The Successor Agency retained the services of a licensed accountant, Mayer Hoffman & McCann P.C., a California Professional Corporation to prepare the Report. Mayer Hoffman & McCann was specifically approved by the Los Angeles County Auditor-Controller to perform the Due Diligence Review.

Respectfully,

A handwritten signature in cursive script, reading "Margarita Cruz".

Margarita Cruz
Redevelopment Manager

Cc: California State Department of Finance
California State Controller's Office
Los Angeles County Auditor –Controller
Los Angeles County Chief Executive Office
Royce Jones, Successor Agency Counsel